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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

TESLA, INC.,

        Plaintiff,

  v.

ALEX KHATILOV.

        Defendant.

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Case No.: _____

DECLARATION OF GOLDA ARULAPPAN IN SUPPORT OF PLAINTIFF TESLA, INC.'S *EX PARTE* MOTION FOR TEMPORARY RESTRAINING ORDER, ORDER TO SHOW CAUSE RE: PRELIMINARY INJUNCTION, AND EVIDENCE PRESERVATION ORDER

Date: _____
Time: _____
Dept: _____
Judge: _____

Complaint To Be Filed

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16   I, Golda Arulappan, affirm the following under penalty of perjury:

17   1.   I am Senior Manager of Software Quality Assurance Engineering for Tesla, Inc.

18 ("Tesla"). My duties include managing the Warp Enterprise Resource Planning Systems Quality

19 Assurance team. I have been employed with Tesla for eight years. I have personal knowledge of

20 the facts set forth herein, and if called as a witness, could and would testify to them.

21   2.   Quality Assurance Engineers at Tesla communicate with Product Management,

22 Software Engineering and business leaders throughout Tesla to identify what business tasks need

23 to be automated. Then, the engineers write computer scripts using Selenium with Python (a form

24 of computer programming language) to automate these tasks. The engineers also periodically

25 test the automated processes to ensure they function properly.

26   3.   The scripts designed by the Quality Assurance Engineering team are unique to

27 Tesla. They run in WARP Drive, the back-end software for much of the Tesla business. These

28 scripts automate tasks required for a broad range of business functions, including procurement,

DECLARATION OF GOLDA ARULAPPAN

1   materials planning and processing, payables, and purchasing, to name a few. Effectively, most

2   of the validation and verification of manufacturing cycle of Tesla products is managed by these

3   scripts—from ordering parts to delivering cars.

4   4.   Developing this complex and effective system is expensive and time-consuming.

5   Tesla has spent roughly 200 man-years of work to develop these scripts—the cumulative hours

6   spent by the Quality Assurance Engineering team over the past twelve years. And the engineers'

7   work is guided by the business leaders in Tesla, who identify what tasks need to be automated—

8   another large and valuable investment of time.

9   5.   These scripts are not publicly available. They are never shared externally and are

10 kept strictly confidential within Tesla. Even within Tesla, access to these scripts is limited to

11 only those within the Quality Assurance team—about 40 people among the approximately fifty

12 thousand Tesla employees. Any new engineer who wants access has to get access from the build

13 team—a select group of roughly eight engineers. Our engineers are not permitted to download

14 scripts to personal devices or cloud storage. Tesla also has an Information Security team that

15 monitors its systems for suspicious activity, including unauthorized downloading of confidential

16 information.

17   6.   Our engineers sign agreements as a condition of their employment which require

18 them to protect Tesla's confidential information and not to disclose or misuse that information,

19 including the Quality Assurance scripts.

20   7.   On December 28, 2020, Sabir Khatilov (who goes by Alex Tilov) started working

21 for Tesla in my team as a Senior Quality Assurance Engineer. I was his direct supervisor. His

22 job was to perform functional validation and prepare and write computer scripts to help automate

23 Environmental Health and Safety (EHS) systems.

24   8.   On January 6, 2021, I was informed by Tesla's Information Security team that

25 almost immediately after he began working for Tesla, Khatilov downloaded over 26,000 files

26 from December 31 to January 4 off Tesla's network. He also downloaded some additional files

27 on January 6.

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DECLARATION OF GOLDA ARULAPPAN   -2-

9.   I have been shown the list of the over 26,000 filenames that Khatilov downloaded from Tesla by David Schertzer, one of the Information Security Investigators reviewing Mr. Khatilov's exfiltration. After reviewing this list, I determined that these 26,000 filenames included a complete set of all the automation scripts produced by Quality Assurance Engineering for Tesla's WARP Drive backend over the past twelve years. All of these automated scripts have a classification of .py, which could be quickly determined from the file list. I have reviewed the filenames one by one and confirmed that it includes all the scripts in our QA folder.

10.   Conspicuously, these scripts had nothing to do with Khatilov's particular role. Mr. Khatilov's job was to develop scripts for the EHS system, which was on a separate system than WARP Drive. These scripts concerned separate systems—including, to name a few, procurement, inventory management, payment, processing, and delivery—all of which interacted with the WARP Drive software.

11.   In light of Khatilov's apparent theft of Tesla information, Tesla terminated him on January 6, 2021.

12.   The scripts taken by Khatilov are highly valuable to Tesla's business because they ensure a broad range of tasks can be done perfectly, repeatedly, and without human effort.

13.   Based on my sixteen years of experience, these scripts would be extremely valuable to a competitor. Access to these scripts would enable engineers at other companies to reverse engineer Tesla's processes to create a similar system in a fraction of the time and with a fraction of the expense it took Tesla to build the system. Third-party engineers could not compose these scripts based on public information, especially with such minimal time and effort. The scripts also would inform competitors of which systems Tesla believes are important and valuable to automate and how to automate them—providing a roadmap to copy Tesla's innovation.

[signature page follows]

1   I declare under penalty of perjury under the laws of the United States that the foregoing is

2   true and correct.

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4   Date: January 20, 2021   _____
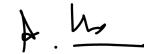
5   Golda Arulappan

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